

## Message Text

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ORIGIN EB-07

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R 042246Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

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TAGS: EAIR, VE

SUBJECT: US-VENEZUELA CIVAIR CONSULTATIONS

REF : CARACAS 1995

1. SUMMARY: THREE-DAY CIVAIR CONSULTATIONS WERE CONCLUDED ON FEBRUARY 28 WITH SIGNING OF MEMORANDUM OF CONSULTATIONS REGARDING CAPACITY, FREQUENCY AND SCHEDULES. FURTHER CONSULTATIONS ARE TO BE HELD IN APPROXIMATELY NINE MONTHS.

2. AT START OF TALKS, VENEZUELA DELEGATION OFFERED TWO AGENDA ITEMS: (A) PROPOSAL TO REPLACE PRESCREENING WITH ALTERNATIVE MECHANISM FOR ADJUSTING CAPACITIES, FREQUENCIES AND SCHEDULES BY AGREEMENT BETWEEN AIRLINES; (B) REQUEST FOR NONSTOP SAN JUAN-TORONTO TRAFFIC RIGHTS FOR VENEZUELA. USDEL PROPOSED TWO ADDITIONAL TOPICS: (A) AVIATION FUEL DISCOUNTS GIVEN TO VIASA; (B) ISSUANCE OF CARGO FLIGHT PERMITS TO PAN AM.

3. MAIN CONCERN OF VENEZUELAN WAS CAPACITY CONTROL. VENEZUELA DELEGATION EMPHASIZED NEED FOR STABLE SYSTEM

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DURING NEXT FEW YEARS IN VIEW WORLD ECONOMIC UNCERTAINTIES

AND NEED FOR PLANNING BY VIASA. PRESENT ARRANGEMENT  
UNCLEAR SINCE BOTH PRESCREENING AND A PRIORI CAPACITY

REGULATION THROUGH AIRLINE NEGOTIATIONS BOTH OPERATING.  
USG HAS ADVANTAGE OVER GOV, THEY CLAIMED, IN THAT FORMER  
MAY INVOKE EITHER SYSTEM AT WILL. FOR EXAMPLE, IF CAB  
DOES NOT EXTEND PAA'S AUTHORITY TO NEGOTIATE WITH VIASA,  
PRESCREENING ARRANGEMENT WOULD AGAIN BECOME EFFECTIVE.  
IN THIS WAY USG WOULD BE UNILATERALLY DETERMINING  
US-VENEZUELA CAPACITY CONTROL MECHANISM. VENEZUELA DEL  
EXPRESSED SATISFACTION WITH PRACTICAL APPLICATION OF AIR-  
LINE TALKS FOR PREDETERMINING CAPACITY. THEY PROPOSED  
CONFIDENTIAL AGREEMENT TO: (A) EXTEND SYSTEM OF INTER  
AIRLINE CAPACITY DETERMINATION FOR THREE YEARS; (B) SUBMIT  
FREQUENCIES AND CAPACITIES NEGOTIATED BY AIRLINES FOR

GOVERNMENTAL APPROVAL; (C) PROVIDE FOLLOWING OPTIONS IN  
CASE OF DISAGREEMENT: IF EITHER GOVERNMENT WERE DIS-  
SATISFIED WITH NEGOTIATED RESULTS, AIRLINES COULD BE  
REQUESTED EITHER TO RESUME CONSULTATIONS OR GOVERNMENTS  
COULD HOLD TALKS.

4. USDEL REJECTED VENEZUELA PROPOSAL FOR CAPACITY CONTROL  
MECHANISM. WE SAID THAT IN VIEW OF PRESENT DIFFICULTIES  
FACING INTERNATIONAL AVIATION, USG WAS AT TIMES SYMPA-  
THETIC TO ARRANGEMENTS BY WHICH AIRLINES COULD RESOLVE  
PROBLEMS THEMSELVES. HOWEVER, THERE ARE INTERESTS, BOTH  
IN AND OUT OF USG, WHO STRONGLY OPPOSE SUCH METHODS,  
USDEL CONTINUED. SINCE ISSUE OF AIRLINE CAPACITY DETER-  
MINATION IS UNSETTLED IN U.S., USDEL INDICATED THAT AGREE-  
MENT PROPOSED BY GOV COULD NOT BE VIEWED FAVORABLY AT  
THIS TIME. USDEL FURTHER POINTED OUT THAT FOR PRACTICAL  
PURPOSES PRESENT SYSTEM IS WORKING WELL. INTER AIRLINE  
TALKS HAVE ALREADY ACHIEVED GENERAL CONSENSUS ON  
CAPACITIES AND SCHEDULES UNTIL MARCH 1976. NO PROMISES  
COULD BE MADE CONCERNING EXTENSION OF PAA AUTHORITY TO  
CONTINUE TALKS WITH VIASA. HOWEVER, IF SUCH AUTHORITY  
WERE GRANTED, END RESULTS WOULD BE SAME AS THOSE SOUGHT BY  
VENEZUELA. USDEL ALSO REMINDED VENEZUELA DELEGATION  
THAT DURING 1972 NEGOTIATIONS USG SOUGHT "BERMUDA"  
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ARRANGEMENT WHILE GOV WANTED TO DETERMINE CAPACITIES  
THROUGH AIRLINE CONSULTATIONS. PRESCREENING WAS THE  
COMPROMISE SOLUTION. IT WAS PART OF A PACKAGE SETTLEMENT.  
SUGGESTION THAT USG ADOPT GOV POSITION EXISTING BEFORE  
1972 AGREEMENT, AND ABANDON PRESCREENING, WOULD RESULT IN  
REEXAMINING ENTIRE STRUCTURE OF 1972 ARRANGEMENTS (WHICH  
RESULTED IN ADDITIONAL ROUTES FOR VENEZUELA.)

5. MEMORANDUM OF CONSULTATIONS PROVED TO BE MUTUALLY ACCEPTABLE ALTERNATIVE TO VENEZUELA PROPOSAL. TEXT FOLLOWS:

QUOTE. DELEGATIONS REPRESENTING THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF VENEZUELA MET FOR CONSULTATIONS IN WASHINGTON, D. C. FEBRUARY 26-28 TO DISCUSS CIVIL AVIATION RELATIONS BETWEEN THE TWO COUNTRIES. THE NAMES OF THE MEMBERS OF THE TWO DELEGATIONS ARE ATTACHED.

WITH RESPECT TO CAPACITY, FREQUENCY AND SCHEDULES, IT WAS AGREED THAT:

(A) IF ONE OR MORE OF THE DESIGNATED CARRIERS OF EACH COUNTRY DESIRES TO ENGAGE IN CAPACITY DISCUSSIONS, SUCH TALKS SHALL BE PERMITTED, PROVIDED APPROPRIATE GOVERNMENTAL APPROVAL IS OBTAINED;

(B) IF SUCH DISCUSSIONS LEAD TO AN INTER-CARRIER AGREEMENT, EACH CARRIER SHALL SUBMIT THE INTER-CARRIER AGREEMENT TO THE APPROPRIATE AUTHORITIES OF THEIR RESPECTIVE GOVERNMENTS FOR APPROVAL;

(C) UPON GOVERNMENTAL APPROVAL OF THE INTER-CARRIER AGREEMENT, THE SCHEDULES PROPOSED IN THE AGREEMENT SHALL BE PERMITTED TO BECOME EFFECTIVE, AND THE CAPACITY PROVISIONS OF THE MEMORANDUM OF CONSULTATION OF DEC 21, 1971, SHALL NOT APPLY WITH RESPECT TO SUCH SCHEDULES;

(D) IN THE ABSENCE OF AN INTER-CARRIER CAPACITY AGREEMENT APPROVED BY THE RESPECTIVE GOVERNMENTAL AUTHORITIES, CAPACITY, FREQUENCIES AND SCHEDULES SHALL BE GOVERNED BY LIMITED OFFICIAL USE

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THE PROVISIONS OF THE MEMORANDUM OF CONSULTATION OF DECEMBER 21, 1971.

THE TWO DELEGATIONS ALSO AGREED TO HOLD FURTHER CONSULTATIONS ON THE SUBJECT OF CAPACITY AGREEMENTS IN APPROXIMATELY NINE MONTHS AT A MUTUALLY CONVENIENT TIME AND PLACE.

BOTH DELEGATIONS NOTED THE OUTSTANDING SPIRIT OF UNDERSTANDING AND CORDIALITY THAT PREVAILED THROUGHOUT THE NEGOTIATIONS, DEMONSTRATING THE EXCELLENT RELATIONS BETWEEN THE TWO FRIENDLY COUNTRIES.

MICHAEL H. STYLES, CHAIRMAN, UNITED STATES DELEGATION.  
BRIG. GENERAL EDGARD SUAREZ MIER Y TERAN, CHAIRMAN,

VENEZUELA DELEGATION. FEBRUARY 28, 1975. UNQUOTE.

6. OTHER ISSUES WERE NOT DISCUSSED EXTENSIVELY.

VENEZUELANS OFFERED NO JUSTIFICATION FOR SAN JUAN-TORONTO  
ROUTE REQUEST. WHEN USDEL INDICATED THAT US RESPONSE

WOULD HAVE TO BE NEGATIVE, VENEZUELAN DELEGATION CHOSE NOT

TO PURSUE MATTER. RE PAA'S CARGO FLIGHT PERMITS, USDEL  
MADE CASE ALONG LINES OUTLINED REFTTEL. VENEZUELAN DEL  
SIMPLY STATED THAT GOV'S EXISTING POLICY WOULD BE CON-  
TINUED. THEY WERE APPARENTLY MIFFED BY ROUTE TURNDOWN  
AND RESPONDED BY ASSERTING PRESENT GOV POLICY TO APPROVE  
CARGO FLIGHTS INDIVIDUALLY. USDEL ALSO EXPRESSED CONCERN  
THAT AVIATION FUEL DISCOUNTS ENJOYED BY VIASA IN VENEZUELA  
MAY BE DISCRIMINATORY AND QUESTIONS COULD BE RAISED UNDER  
US FEDERAL ENERGY ADMINISTRATION REGULATIONS CONCERNING  
VIASA'S CONTINUED ACCESS TO ALLOCATED FUEL. INQUIRY ALSO  
MADE CONCERNING STATUS OF GOV RESPONSE TO US NOTE ON THIS  
SUBJECT. VENEZUELA DELEGATION REPLIED THAT GOV  
COMMITTEE LOOKING INTO ENERGY ISSUES, INCLUDING AVIATION  
FUEL PROBLEM UNDER DISCUSSION. REPLY TO NOTE IS BEING PRE-  
PARED. IT WILL BE ALONG LINES THAT "COMMITTEE REVIEWING  
PRICES AND WE DO NOT KNOW WHAT OUTCOME WILL BE."

7. TWO MEMBERS OF VENEZUELA DELEGATION, AMBASSADOR  
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MONTEVERDE AND OSCAR CLEVO MEJIA, NEVER ARRIVED. MOST OF  
THE TALKING ON VENEZUELA SIDE WAS DONE BY DELEGATION  
CHAIRMAN, SUAREZ, WITH OCCASIONAL ASSISTS FROM TIRADO AND  
BOULTON. VENEZUELANS DEPARTED IN GOOD SPIRITS AND  
APPARENTLY VIEWED MEMCON AS SATISFACTORY TROPHY FOR THEIR  
EFFORTS.

8. AIR TRANSPORT ASSOCIATION OBSERVER TOOK MINUTES OF  
PROCEEDINGS. THESE WILL BE POUCHED WHEN AVAILABLE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, NEGOTIATIONS, AIR SCHEDULES, AVIATION AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
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